



Unclaimed Property Briefs

General Information

This brief provides general information on unclaimed property and defines some commonly used terms.

What is Unclaimed Property?

Unclaimed Property is money or intangible property owed to an individual or business. Property is considered unclaimed after it is held for an extended period of time with no owner contact and a “good faith” effort has been made to locate the owner. Abandoned property is turned over to the Department of the Treasury, Division of Unclaimed Property from many sources, including banks, credit unions, corporations, utilities, insurance companies, governmental entities and retailers throughout the United States. Examples of unclaimed property include: deposits at financial institutions, uncashed checks, wages, account credits, refunds, overpayments, stocks, bonds, dividends, abandoned safe deposit box contents and some gift certificates and layaway deposits.

The Uniform Disposition Of Unclaimed Property Act

The Virginia Unclaimed Property Act, §§55-210.1-55.210.30 of the *Code of Virginia*, protects unclaimed property until it is returned to its rightful owners or their heirs. The Department of the Treasury, Division of Unclaimed Property acts as custodian of the property and administers a program to locate the owners. Once reported to the Department, unclaimed property is available for refund to the owner or their heirs indefinitely.

Commonwealth of Virginia law requires businesses and other organizations to review their records each year to determine whether they hold any funds, securities or other property that have remained unclaimed for the required abandonment period. Holders file an annual report and transfer the property to the state. The holding period before property is considered unclaimed varies by property type.

Treasury's Role

The Department of the Treasury administers the unclaimed property program as a consumer protection program for the citizens of Virginia. The primary purpose is to safeguard and return the unclaimed property to the rightful owners or their legal heirs. Owner names and addresses reported to the Department are added to our database and are available for the public to search at VaMoneySearch.org. A portion of the funds received through the program is deposited into a reserve account maintained to allow for repayment to the rightful owners. The remaining funds are transferred to the Literary Fund for use in programs to support K-12 education. This doesn't mean that these funds are no longer available to be claimed. They are simply being put to good use for the benefit of all citizens of the Commonwealth until the rightful owner(s) comes forward. There is no fee for owners to reclaim their property. Additionally, interest-bearing accounts continue to earn interest at the rate reported by the holder, up to a maximum of 5%.



Unclaimed Property Briefs are published by the Commonwealth of Virginia, Department of the Treasury, Division of Unclaimed Property. Comments and questions should be submitted to Division of Unclaimed Property, P. O. Box 2478, Richmond, VA 23218, or call (804) 225-2393 www.trs.virginia.gov

Holder Education & Audit Program

The Department of the Treasury is committed to providing reporting and compliance education to the business community. In addition to the reporting guide series that covers common industry and property questions, we offer on-site consultation visits, holder education seminars, and can provide presentations to businesses and professional groups.

We routinely perform audits and compliance reviews to verify that holders of unclaimed property are complying with the Act. The Act provides for interest charges and penalties for failing to report and deliver unclaimed property on time.

Finding Owners

The Department's program includes a continuous effort to locate the owners of unclaimed property. Each year, advertisements are placed in major newspapers statewide that list the names and addresses of newly reported unclaimed property owners. The database of names is available for searches on the Internet at VaMoneySearch.org. In addition, we periodically attend local fairs, festivals and other venues where we will set up a booth and encourage attendees to allow us to search for property in their behalf. In cases where we have sufficient identifying information, we will send notices of our receipt of unclaimed property to reported owners at their last known address.

Who Must Report

The following entities are required to report:

- Banking and financial organizations including state or federally chartered banks, trust companies, savings banks, private bankers, savings and loan associations, credit unions and investment companies;
- Business associations wherever located, chartered, domiciled or incorporated, such as a corporation, joint stock company, business trust, partnership, cooperative or other association for business purposes of two or more individuals, whether or not for profit.
- All insurance companies, including life, health, accident, property, casualty, travel, etc.
- Utilities owned or operated for public use; any plant, equipment, property, franchise, or licensee for the transmission of communications or the production, storage, transmission, sale, delivery, or furnishing of electricity, water, steam, or gas.
- Governmental entities including federal, state, county and city governments, political subdivisions public authorities, public corporations, estates, trusts or
- Any other legal or commercial entity, including nonprofit organizations.
- All holders are responsible for filing reports on behalf of their branches, divisions or other affiliated entities.

Businesses, whether located in Virginia or another state, need to report any unclaimed property they hold that is due an owner with a last known address in Virginia (see Where to Report for further details).

What to Report

The [Property Type Chart](#) in the [Annual Holder Report Forms & Instructions](#) book provides examples of the types of property that are reportable as unclaimed property.



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Where to Report

As set forth in the United States Supreme Court cases of Texas v. New Jersey and Delaware v. New York, there are rules of priority which govern where unclaimed property should be reported. Report all abandoned property that you owe to a Virginia resident or corporation, as shown by the last known address, to the Commonwealth of Virginia. Virginia corporations should report unknown owners, items with no address, and property where the last known address of the owner is in a foreign country to the Commonwealth of Virginia. Except for the limited situations where Virginia companies are reporting other state's property through Virginia via reciprocity agreements, all other abandoned property should be reported to the state of the owner's last known address.

Reciprocity

Virginia companies may report unclaimed property due to other states on a limited basis. The Department will automatically forward this property on an annual basis to the appropriate state based on the last known address. Please remember to follow the abandonment periods in each state's law.

Exceptions to the Reciprocity Agreement Program:

Please limit the number of items per state: We will handle incidental occurrences of property due to another state. If you have more than 10 items for a particular state, please report those items directly to the state where they are due based on the reported owner's last known address.

Safe Deposit Boxes: Because of each state's special handling and acceptance rules, holders need to report safe deposit box contents directly to each state.

Stock: We are unable to transfer shares of stock to other states. You must report all unclaimed, unexchanged, undeliverable or underlying shares of stock to the state of the owner's last known address.

When to File

Reports and remittances are due from all holders before November 1, and must include all property that has remained unclaimed for the required dormancy period, as of the preceding June 30. The one exception to this rule is for Insurance companies, who must report by May 1 all property meeting the dormancy requirements as of December 31 and prior each year. The Reporting Booklet and our Internet site contain our [Date Chart Table](#), which may be helpful in determining proper reporting time frames. Holders who do not expect to report in the foreseeable future may request to have their accounts placed inactive.

EARLY REPORTING: Section 55-210.10:2 of the Act, permits a holder possessing property that will become reportable in the future may report and deliver such property early. Before an early report will be allowed, a holder must have made a good faith attempt to determine the lost owners are unable to be located.

REMITTANCE AT TIME OF REPORT: Remit the payment for all reported property with the report before November 1 each year. Safe Deposit Box contents are an exception (see below).

SAFE DEPOSIT BOX CONTENTS/TANGIBLE PROPERTY REPORTS: Report no later than November 1 each year. All tangible property reports should include a master list of properties being remitted (by safe deposit box, if applicable). Delivery of property may be scheduled for a later date.



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GLOSSARY OF TERMS

The following definitions are helpful when reporting unclaimed property to the Commonwealth of Virginia. These definitions are an aid, not a substitute for legal advice.

ABANDONED PROPERTY: Tangible or intangible property unpaid or undelivered to the rightful owner for a time period specified by law (the dormancy period). Also referred to as unclaimed property.

ACTIVITY: Action taken on property by the owner including making a deposit or withdrawal, or a written memorandum to the holder. It does not include automatic transfers, payments, charges, or posting of interest.

AGGREGATE: A group of related property type items reported as a single line item. The owner names and addresses are not included with the report. Property valued less than \$100.00 may be aggregated when reporting to Virginia.

CLAIMANT: A person believing they are legally entitled to abandoned property. The claimant is not always the actual “owner” of the property. A claimant could be an heir, or someone who has a legal right to claim the property on the owner’s behalf (i.e., Guardian ad litem).

CUSTODIAN: A custodian holds property for the benefit and care of the rightful owner. A custodian controls the property until delivered to the rightful owner. Most states’ laws make the abandoned property division a custodian of the abandoned property remitted to the state.

DEPARTMENT: Commonwealth of Virginia, Department of the Treasury

DIVISION: Commonwealth of Virginia, Department of the Treasury, Division of Unclaimed Property

DORMANT OR INACTIVE PERIOD: The time period during which an owner of property does not take action on his or her property.

DUE DILIGENCE: The degree of effort a holder must use to find the rightful owner of abandoned property before delivering the property to the state.

ESCHEAT: A transfer of property that makes the state the legal owner of the transferred property. The Commonwealth of Virginia does not escheat abandoned property but holds it in trust as a custodian for the owner in perpetuity.

HOLDER: The entity that controls abandoned property until transferred to the owner or the state.

HOLDER ID: The Division of Unclaimed Property assigns this number to a holder. If you have not reported in the past, your holder ID is assigned when we receive your first report. Once assigned, please use this number in all correspondence with the Division.

HOLDER REPORT ID: This number identifies a particular annual report filed by a holder. This number is assigned once your report is submitted. Please use this number when referring to a particular report.

INTANGIBLE PROPERTY: Property that represents or is negotiable to cash. Items such as a stock certificate represent ownership interest in a company or a savings bond represents an obligation to pay a certain amount. Both are convertible to cash and represent cash values.

NEGATIVE REPORT: An unclaimed property report filed when no property was abandoned



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during the current reporting period. Currently, the Commonwealth of Virginia does not require a holder to file a negative report.

OWNER: The person to which the property originally belonged as reported by the holder of the property. Report the payee as the owner for money orders, gift certificates, and all checks.

TANGIBLE PERSONAL PROPERTY: Personal property that is represented by itself. A diamond ring and a silver coin both represent tangible personal property.

REAL PROPERTY: This is real estate and fixtures. Unclaimed Property does not cover abandoned land, houses, boats or automobiles.



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